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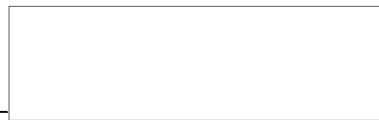
6 April 1984

National Intelligence Council

NOTE TO: C/NIC  
VC/NIC



Attached is a draft IIA requested by the Department of State in preparation for Defense Minister Abu Ghazala's visit here. It was prepared by DIA and coordinated yesterday. We plan to release it Monday if you have no objections.



Graham E. Fuller  
NIO/NESA

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*Nice job.  
HOM*

INTERAGENCY INTELLIGENCE ASSESSMENT  
6 April 1984

DEVELOPMENTS IN THE EGYPTIAN ARMED FORCES

Key Judgments

The recent development of the Egyptian armed forces does not constitute a major military build-up; in actuality, capabilities have declined following the termination of Soviet assistance in 1975 and the removal of non-maintainable equipment from active inventory. This erosion will be gradually reversed as US and other foreign equipment continues to arrive and other equipment on hand is refitted. If sufficient external assistance continues to be made available, Egypt's overall military capabilities will appreciably improve during the next decade;

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The overall size of the Egyptian armed forces is unlikely to increase during the next five years and in fact may decline somewhat. By 1989, Syria will likely surpass Egypt in military capability. Iraq's army is already considerably larger than Egypt's. Egypt's efforts at force modernization, primarily through US assistance, are succeeding in restoring capabilities eroded by aging Soviet military equipment. Barring any unforeseen external threat, growing economic constraints will limit military spending to approximately its current 28% of the budget; however, extra budgetary finances through arms sales will provide limited additions.

Egypt's plans call for greater mobility and self-sufficiency. Military planners are aiming for a smaller but more mobile and technically more sophisticated force by the late 1980s. Although the United States has become Egypt's most important source of arms, Cairo has developed ties with other potential suppliers, mainly Western European countries and

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This Interagency Intelligence Assessment was requested by the Department of State. It was prepared under the auspices of the National Intelligence Officer for the Near East and South Asia. The Assessment was coordinated at the working level with the Central Intelligence Agency, the Defense Intelligence Agency, and the Bureau of Intelligence and Research of the Department of State. Information available as of 6 April 84 was used in preparation of this Assessment.

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independent communist states such as Romania, North Korea and the PRC. The Egyptians are also expanding domestic production in an effort to reduce dependence on foreign suppliers; however, they will remain heavily dependent on external support for the foreseeable future in achieving further modernization. If such support remains forthcoming, the erosion of Egyptian military capabilities since the cut-off of Soviet military aid will gradually be reversed.

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## Introduction

With an active-duty strength of 447,000, the Egyptian armed forces are among the largest in the Arab world. Assets include a diversified inventory of modern weapons, a combined-arms organization, and extensive training. Nevertheless, dependence on foreign suppliers for weapons and spare parts, a lack of tactical flexibility, and inadequate logistical and maintenance systems continue to impair Egyptian combat effectiveness.

During the last decade, two major events have had a profound impact on the development of the Egyptian armed forces: first, the termination of Soviet military aid and, second, the Egyptian-Israeli peace treaty, which led to a military supply relationship with the United States. US military assistance has only recently begun to correct a serious decline in military capabilities resulting from the cut-off of Soviet deliveries in 1975. In early 1982 Egypt undertook a major program to reorganize and reequip military units in a move associated with introduction of US weapon systems. Deployment patterns have changed as well; the treaty with Israel has enabled Egypt to withdraw major units from the Suez Canal to form a strategic reserve in the Cairo area and to reinforce the volatile Libyan front.

## Strength and Force Structure

Egyptian armed forces strength has remained largely stable over the past decade. During the 1973 war the regular armed forces were temporarily augmented with reservists, reaching a peak personnel strength of approximately 500,000. With the subsequent disengagement agreements, total armed force strength had leveled off at 447,000 by the end of the decade and has remained roughly at that figure. Tab A provides a breakdown of strength trends by service for the three critical years of 1973 (eve of the October War), 1979 (the peace treaty with Israel), and 1984 (the current year).

The overall force structure has remained relatively constant since 1973 as shown in Tab B. Major units include 11 maneuver divisions, 25 fighter/bomber squadrons, and 4 air defense divisions. While the total number of units has remained essentially static, personnel and equipment levels within existing units have been reduced to accommodate withdrawal of obsolescent equipment from active inventories. Furthermore, while manning levels in front line units range from 85 to 100% of currently authorized strength, within rear echelon units manning levels are much lower, ranging from 35 to 60%. The Egyptians now have no capability for rapid expansion of these understrength units and we know of no plans to acquire such a capability.

A process of restructuring and reequipping existing units has resulted from the introduction of US and other Western armament and the phase-out of older Soviet hardware. In the army, for example, Egypt's acquisition of US tanks and APCs has led to increased mechanization of infantry units with a

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concomitant enhancement of armor capabilities. In the air force acquisition of US combat aircraft has resulted in an increase in the number of fighter and fighter-bomber squadrons, but this has been offset by a corresponding decrease in bomber squadrons as Soviet bomber aircraft have been removed from active inventory. Introduction of Western equipment has not affected the organization of principal subordinate units within the air defense command, which is still organized along Soviet lines despite incorporation of US and other Western systems.

### Equipment

Overall equipment inventory levels reflect a slight increase over the past decade. Significant losses were incurred in the 1973 war; furthermore, with the cessation of Soviet military supply in 1975, much of the Soviet equipment still on hand is no longer operable. Since 1979, and especially since 1982, US equipment deliveries have supplemented Egyptian holdings. Neither US deliveries nor recent acquisitions from other states have replaced losses on a one-for-one basis in some categories of equipment, however. Tab C shows major types of weapon systems in Egyptian operational inventories for the years 1973, 1979, and 1984.

Recent equipment deliveries, however, have effected some qualitative improvements, particularly in tactical and strategic mobility. The armored division has become the primary strike force within the Egyptian Army. The acquisition of 130-mm M-46 towed field artillery and 122-mm truck-mounted 8M-11 multiple rocket launchers from North Korea in the late 1970s significantly enhanced Egypt's artillery capabilities, although the total number of artillery weapons has declined somewhat. Success with anti-tank weapons during the 1973 war and later during the 1977 border clash with Libya encouraged the Egyptians to upgrade their man-portable antitank weapons to mobile jeep-mounted systems. The current deployment of these systems at critical points along the Israeli and Libyan fronts reflects Egypt's continuing emphasis on this capability.

Qualitative improvements have also been effected in the air and air defense forces as new Western equipment has been absorbed. The introduction of F-4 and F-16 aircraft has given the air force a greater ability to reach distant targets with larger payloads. The deployment of new Crotale and I-HAWK batteries has given the air defense command a continuing capability to protect ground forces and key installations against attacking enemy aircraft.

### Defense Expenditures, Foreign Military Relationships, and Domestic Production

Egypt has always been reliant on external funding for a large portion of its defense expenditures. In 1973, Egypt's domestic defense budget was \$1.6 billion; in addition, Egypt had two other sources of funding at that time: Soviet financing of military equipment on easy credit terms; and the annual subsidies, provided by oil-rich Arab states to Egypt to maintain its

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military capabilities after the 1967 war. By mid-1979, with the cessation of Soviet assistance and the termination of Arab subsidies following the signing of the Israeli-Egyptian peace treaty, the picture had become much different. Currently, we estimate Egypt's indigenous military budget at \$2.5 billion, a figure supplemented by US security assistance funding for \$1.3 billion. Egypt has received some Arab funds [redacted] in payment for surplus obsolescent military hardware, sold principally to Iraq. Tab D gives a tabular resume of defense expenditures for the three years under discussion.

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Foreign military relationships have continued to be a determining factor in Egypt's ability to equip and maintain a defense establishment. Once the only major military power in the Arab world, Egypt saw its military capabilities erode drastically following the 1975 cutoff in Soviet military assistance. Spare parts shortages began to have a grave impact on military readiness. The operational lifespan for much of the equipment was exceeded, and it became necessary to cannibalize major items such as tanks, APCs, and artillery pieces for spare parts.

To keep its Soviet-manufactured equipment operating, Egypt turned to other sources. It purchased some spare parts from Romania, Yugoslavia, Czechoslovakia and Hungary but, in general, had only limited success in obtaining equipment and spare parts from East European countries. Egypt was able to obtain some spare parts and military equipment from the PRC and North Korea. However, these countries had only limited capacity to meet Egypt's enormous arms needs. As early as 1974, Egypt had already turned to Western Europe, especially France and the UK, for military equipment and assistance in refurbishing its existing equipment. Egypt continues to seek Western European arms to supplement US military supply, while periodically tapping independent communist supply sources such as Romania, North Korea, and PRC. Yet, in spite of substantial deliveries from all quarters since the mid-1970's, the bulk of equipment in the Egyptian inventory is still Soviet in origin and increasingly obsolete.

Egyptian domestic arms production capability has improved somewhat over the past decade, but the arms industry as a whole remains relatively inefficient and dependent on external assistance. Egypt produces a majority of its small arms, mortars and rocket launchers, and artillery ammunition. In addition, it produces limited quantities of air defense artillery and wheeled APCs. Recently, the Egyptians have begun to assemble French ALPHA-jets and GAZELLE helicopters.

### Training and Readiness

The Egyptian armed forces have placed increasing emphasis on unit training in recent years. As a result, the likely performance of selected units in combat has been enhanced, and the average Egyptian soldier's ability to use his weapons and equipment has improved. Training is still

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not geared, however, to encourage flexibility and initiative on the part of individuals or units.

Between the 1967 and 1973 wars, unit training was designed to support operational plans for recapture of the Sinai, through increased emphasis on crossing water obstacles, capturing mountain passes, and utilization of airborne and air assault forces. After the 1973 war, the Egyptians again assessed their performance and began to take steps to correct deficiencies noted. Subsequent training reflected greater attention to large-scale exercises and offensive operations including in-depth penetration of enemy lines. Since 1979, the Egyptians have placed increased emphasis on joint exercises involving army, air force, navy and air defense command units.

Many deficiencies remain, however, in training and readiness. Tactical air support during exercises remains weak; quantities of ammunition for live-fire training are inadequate; and the use of equipment in training is often restricted because of concern over cost and operational wear.

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### Future Developments

The planned modernization of the Egyptian armed forces over the next 5 years should lead to an enhancement of the country's military capabilities. As a result, Egypt will be able to deal more effectively with hostile military threats and, at the same time, to project a small, lightly equipped, air-transportable force abroad to friendly countries which might request Egyptian assistance. The enhancement of these capabilities will depend heavily on a continuation of foreign military assistance.

Egypt is now committed to a modernization program for its armed forces. The program will require 5 to 8 years and an estimated \$30 billion to complete. To achieve a modern military force, the Egyptians will need to make major improvements in logistics, maintenance, ground transport, tactical/strategic airlift, and command, control, and communications.

While US military assistance will improve Egyptian forces qualitatively over the next 5 years, projected US acquisitions will not fully replace currently obsolete equipment. At the same time, the Egyptians will seek to diversify their sources of foreign weapons so that they will not again become dependent on a single supplier as happened with the Soviets. Finally, Egypt will attempt to expand domestic arms production in an effort to reduce the need for foreign weapons imports and support the Egyptian economy. Despite efforts at self-sufficiency, however, Egypt will attain only a limited degree of independence from

foreign arms suppliers over the next decade. Egypt will continue to depend on imports for most major items of equipment, especially those incorporating advanced technology.

Cairo is concerned over the cost of maintaining a large standing force. As early as 1975, the Egyptians began to hint at a force reduction and, on numerous occasions since signing the peace treaty with Israel in 1979, have expressed their intent to reduce active-duty strength. The savings resulting from a force reduction could be absorbed in expenditures for replacing obsolete equipment, military housing, and other qualitative improvements. The reason most often given by the Egyptians for not yet implementing a force reduction is the negative impact that a large influx of demobilized troops would have on the Egyptian economy at the present time. The proposed force reduction depends on an effective reserve and mobilization system, but Egypt's present reserve system is incapable of supporting a rapid, large-scale mobilization. Though Egypt may wish to establish an all-volunteer active force backed up by reserves, it is improbable that enough volunteers could be found. Thus, it is unlikely that Egypt will switch to a system heavily dependent on reservists so long as the threat of hostilities exists in the Middle East.



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